

## Message Text

PAGE 01 MTN GE 00007 04 OF 05 061528Z

44

ACTION STR-04

INFO OCT-01 SS-05 ISO-00 STRE-00 SSO-00 /010 W

----- 122407

O 051435Z JAN 76 CITING STATE 0198W

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 989

LIMITED OFFICIAL USE SECTION 4 OF 5 MTN GENEVA 0007

STR CHANNEL

TARIFFS

STATE OF PLAY: EVERYONE IS WAITING FOR THE U.S. TO TABLE A SPECIFIC TARIFF CUTTING PROPOSAL. THE OTHER PARTICIPANTS VIEW A DEFINITIVE U.S. PROPOSAL AS ESSENTIAL FOR PROGRESS IN THE TARIFFS GROUP. JAPAN, THE EC, CANADA AND SWITZERLAND HAVE OFFERED ILLUSTRATIVE FORMULAE THAT ARE LIKELY TO CORRESPOND CLOSELY TO THEIR INITIAL BARGAINING POSITIONS ON A FORMULAE. WE HAVE INDICATED THAT THE U.S. WILL MAKE A DEFINITE PROPOSAL AT THE NEXT TARIFFS GROUP MEETING THE WEEK OF MARCH 22. AT THE LAST TARIFFS GROUP MEETING THE U.S. GENERATED MUCH INTEREST AND SOME CONCERN BY STATING THAT THE U.S. OBJECTIVE IS TO ASSURE "SUBSTANTIALLY EQUIVALENT COMPETITIVE OPPORTUNITIES (SECO)". THE EC, IN PARTICULAR, AND OTHERS WANT US TO CLARIFY SECO IN RELATION TO TARIFFS AND TARIFF CUTTING FORMULAE.

OTHER ELEMENTS OF A TARIFF NEGOTIATING PLAN (EXCEPTIONS, CIF-FOB, STAGING, BASE RATE/BASE DATE) HAVE BEEN DISCUSSED IN VARYING DEGREES OF DETAIL. MUCH TIME HAS BEEN SPENT RESPONDING TO THE DEMANDS OF DEVELOPING COUNTRIES FOR SPECIAL PROCEDURES AND DIFFERENTIATED RESULTS. AT THE LAST MEETING WE PROPOSED, WITH LUKEWARM RESPONSE, A SEPARATE NOTIFICATION PROCEDURE FOR LDCS DESIGNED TO MOVE THE LDCS FROM QUESTIONS OF PRINCIPLE TO PARTICULAR PRODUCTS.

ROADBLOCKS:

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 00007 04 OF 05 061528Z

-) EC HARMONIZATION FORMULAE (X EQUALS Y) INCLUDES AN IMPLICIT FLOOR. CANADA, HOWEVER, HAS INDICATED STRONGLY THAT IT IS UNLIKELY TO BE A FORMULA COUNTRY IF THE FORMULAE CHOSEN CONTAINS SUCH A FLOOR. KEEPING CANADA IN AS A

FORMULAE COUNTRY AND THEREFORE MAXIMIZING THE DEGREE OF BINDINGS (AN EC OBJECTIVE) MAY PROVE DIFFICULT, IF A HARMONIZATION FORMULA WITH ITS IMPLICIT FLOOR IS ADOPTED.

2) BASE RATE/BASE DATE -- WE AND THE EC AGREE ON THIS ISSUE BUT JAPAN IS OPPOSED. HOW CAN WE RESOLVE THIS ISSUE?

3) LDCS DEMAND THAT AGREEMENT ON SPECIAL PROCEDURES FOR LDCS COINCIDE WITH AGREEMENT AMONG FORMULAE COUNTRIES ON BASIC ELEMENTS OF A TARIFF NEGOTIATING PLAN.

4) AGRICULTURE--US AND EC DIFFER ON THE QUESTION OF THE APPLICABILITY TO AGRICULTURE OF ANY GENERAL TARIFF-CUTTING FORMULA.

5) EXCEPTIONS PROCEDURES -- A POTENTIAL ROADBLOCK IF U.S. AND EC DON'T SEEK UNDERSTANDING ON DEVELOPMENT OF FLEXIBLE PROCEDURES MOST LIKELY TO PREVENT FUTURE CONFRONTATIONS.

RECOMMENDATIONS:

1) SEEK EC AGREEMENT FOR REGULAR BILATERAL MEETINGS ONCE U.S. FORMULA IS TABLED IN ORDER TO DISCUSS INDIVIDUAL ELEMENTS OF TARIFF NEGOTIATING PLAN (FORMULA, EXCEPTIONS, STAGING, ETC) WITH AIM OF REACHING MUTUAL AGREEMENT ON ESSENTIAL ELEMENTS BY NOVEMBER 1976.

2) FOCUS EC ATTENTION ON PROBLEM OF KEEPING CANADA IN AS A TARIFF FORMULA COUNTRY AND WAYS OF DOING SO.

3) REAFFIRM IMPORTANCE US ATTACHES TO COVERAGE OF AGRICULTURAL TARIFFS AS WELL AS INDUSTRIAL TARIFFS BY ANY GENERAL FORMULA, AND PROBE EC INTENTIONS IN THIS REGARD.

LIMITED OFFICIAL USE  
LIMITED OFFICIAL USE

PAGE 03 MTN GE 00007 04 OF 05 061528Z

4) STIMULATE AND PROBE EC THINKING ON QUESTION OF EXCEPTION PROCEDURES, SPECIAL PROCEDURES FOR LDCS, BASE RATE/BASE DATE AS THESE ARE ISSUES WHERE WE ARE MOST LIKELY TO HAVE COMMON INTERESTS OR, IN THE CASE OF SPECIAL PROCEDURES FOR LDCS, WHERE WE SHOULD RECONCILE OUR DIFFERENCES TO AVOID CONFRONTATIONS IN THE TARIFFS GROUP.

5) PROBE EC ON DEVELOPMENT OF THEIR TARIFF-CUTTING FORMULAE. WE UNDERSTAND (SEE MTN 9467) THAT THE EC IS REEVALUATING ITS POSITION ON A FORMULAE FOR THE MARCH MEETING.

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 15 SEP 1999  
**Channel Indicators:** STR  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, STANDARDS, TRADE CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976MTNGE00007  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Film Number:** D760003-1170  
**From:** MTN GENEVA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 2  
**Legacy Key:** link1976/newtext/t19760199/baaaengu.tel  
**Line Count:** 110  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Office:** ACTION STR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06 MAY 2004 by SmithRJ>; APPROVED <06 MAY 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** LOCK1  
**Status:** NATIVE  
**Subject:** ISSUE PAPERS FOR US/EC CONSULTATIONS  
**TAGS:** ETRD, US, MTN, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006